



Agenda Date: 9/22/04

Agenda Item: 6A

STATE OF NEW JERSEY

Board of Public Utilities

Two Gateway Center

Newark, NJ 07102

www.bpu.state.nj.us

RELIABILITY AND SECURITY

IN THE MATTER OF THE PETITION OF SOUTH)
JERSEY GAS COMPANY FOR AUTHORIZATION)
TO CONSTRUCT A 20" PIPELINE ALONG)
ROUTE 50 WITHIN THE CITY OF ESTELL)
MANOR, ATLANTIC COUNTY, NEW JERSEY)

DECISION AND ORDER

DOCKET NO. GE04070719

(SERVICE LIST ATTACHED)

BY THE BOARD:

On July 21, 2004, South Jersey Gas Company ("Petitioner," "Company"), filed a Petition with the New Jersey Board of Public Utilities ("Board"), pursuant to N.J.A.C. 14:7-1.4 for authorization to initiate and complete construction of an approximately four mile, 20-inch natural gas pipeline within the public right-of-way ("ROW") along Route 50, within the City of Estell Manor, Atlantic County (the "Route 50 Pipeline" or "Project"). The Route 50 Pipeline will be operated at an operating pressure not to exceed 350 pounds per square inch gauge ("psig") Maximum Allowable Operation Pressure ("MAOP"). According to the Petitioner, it is necessary to complete the Project prior to the 2004-2005 winter in order to assure reliable service to certain portions of Cape May County during extremely cold weather.

In addition to ensuring reliability of service to certain portions of Cape May County, the Project also will enable customers located along the Route 50 Pipeline to secure natural gas service, whereas previously, natural gas service may not have been available to them.

The Project will be constructed in public right-of-way, located adjacent to the northbound lane of Route 50, wholly within the City of Estell Manor. The Route 50 Pipeline will consist of approximately 20,187 linear feet (3.82 miles) of 20-inch diameter steel piping. Currently, Petitioner maintains an 8-inch pipeline and a 12-inch pipeline adjacent to the southbound lane, paralleling the proposed Route 50 Pipeline. These pipelines have been in service since 1950 and 1970, respectively. The 8-inch pipeline will be converted to a distribution line, facilitating gas service to the adjacent property owners.

Most of the Route 50 Pipeline will be located entirely within the paved road surface of the Route 50 ROW. Approximately 19,877 linear feet of the proposed pipeline will be installed beneath existing bituminous pavement while the remaining 310 linear feet of pipeline will be placed beneath non-paved, developed areas (e.g. road shoulders and Petitioner's facilities).

The Route 50 Pipeline will be a "transmission pipeline" as that term is defined under federal and State regulations. A "transmission pipeline" is a pipeline other than a gathering line that: transports gas from a gathering line or storage facility to a distribution center, storage facility, or large volume customer that is not downstream from a distribution center; operates at a hoop stress of 20 percent or more of specified minimum yield strength ("SMYS"); or transports gas within a storage field. See 49 C.F.R. § 192.3; see also N.J.A.C. 14:7-1.1A (stating that a transmission pipeline refers to any segment of a pipeline system that meets the criteria of a 'transmission line' as defined in the federal regulations).

The Route 50 Pipeline will be constructed in accordance with N.J.A.C. 14:7-1.1 et seq. and the Federal Regulations for the Transportation of Natural and Other Gas By Pipeline, Part 192, Title 49 of the Code of Federal Regulations. Specifically, the Route 50 Pipeline will be constructed of 20-inch outside diameter pipe with a 0.375-inch wall thickness. The pipe will be manufactured in accordance with the applicable American Petroleum Institute ("API") Standard 5L with a specified minimum yield strength of 42,000 psig and minimum tensile strength of 60,000 psig. The Route 50 Pipeline, which is designed for Type Class IV Location, will be designed and constructed to accommodate future in-line inspection devices and will be subjected to 100 percent non-destructive testing on all welds and be subjected to at least 1,100 psig of hydrostatic test pressures, which will stress the pipe to 70 percent of its SMYS.

A public hearing was held on August 30, 2004, at 7:00 p.m. in the City of Estell Manor. There are 16 existing structures intended for human occupancy within 100 feet of the Route 50 Pipeline. The record owners of all of these structures were directly served with notice of the public hearing. At hearing, Maria Zuccarino, a Project engineer, made a presentation on behalf of the Company related to the various aspects of the Project including planning, design standards, construction, testing, inspections and safety measures. Ms. Zuccarino also noted that necessary permits have been approved by The Pinelands Commission and the New Jersey Department of Transportation and that an application is now pending before the New Jersey Department of Environmental Protection related to work proposed near Stephens Lake. While some members of the public did attend the public hearing, no member of the public made a public statement, or asked any questions on the record.

The Bureau of Pipeline Safety of the Board's Division of Reliability and Security has reviewed the petition and record in this matter and recommends approval of the relief requested.

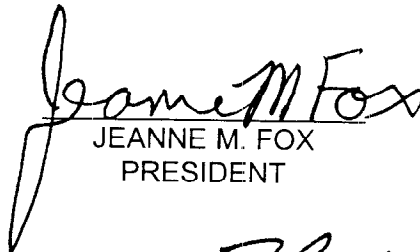
After review of the entire record in this matter, the Board HEREBY FINDS that:

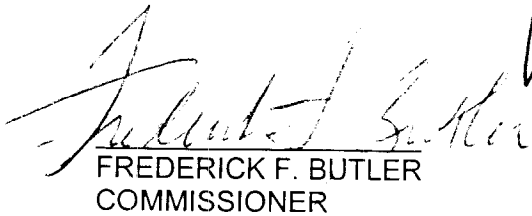
1. The construction and installation of the Route 50 Pipeline is necessary and is in the public interest;
2. The Board is satisfied that the proposed construction cannot be reasonably avoided;
3. The Board has received no objections from persons whose homes, business establishments or future homes are located within 100 feet of the Route 50 Pipeline; and
4. The standards that Petitioner will use in the design, construction and testing of the Route 50 Pipeline will comply with all applicable State and federal codes and inspections of the pipelines will be performed by personnel of the Board's Bureau of Pipeline Safety.

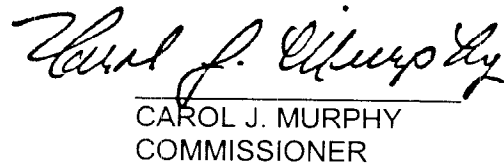
Therefore, based upon the foregoing, the Board HEREBY APPROVES and AUTHORIZES, for prompt construction, within Route 50 in the City of Estell Manor, approximately 20,187 linear feet of 20-inch transmission pipeline with an MAOP of 350 psig in the City of Estell Manor as requested by Petitioner. The approval granted herein is contingent on the receipt by Petitioner of all necessary governmental permits related to the construction of the Route 50 Pipeline

DATED: 9/23/04

BOARD OF PUBLIC UTILITIES
BY:


JEANNE M. FOX
PRESIDENT


FREDERICK F. BUTLER
COMMISSIONER


CAROL J. MURPHY
COMMISSIONER

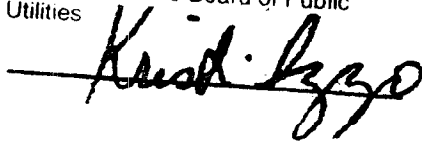

CONNIE O. HUGHES
COMMISSIONER


JACK ALTER
COMMISSIONER

ATTEST:


KRISTI IZZO
SECRETARY

I HEREBY CERTIFY that the within
document is a true copy of the original
in the files of the Board of Public
Utilities



**I/M/O the Petition of South Jersey Gas Company
BPU DOCKET NO. GE04070719**

SERVICE LIST

Ira G. Megdal, Esq.
Cozen O'Connor
Suite 300
457 Haddonfield Road
P.O. Box 5459
Cherry Hill, New Jersey 08002

Edward Lihan
Bureau of Pipeline Safety
Division of Reliability and Security
Board of Public Utilities
Two Gateway Center
Newark, New Jersey

Felecia Thomas-Friel, Esq.
Sara H. Steindel, Esq
Division of the Ratepayer Advocate
31 Clinton Street
P.O. Box 46005
Newark, New Jersey 07101